

105TH CONGRESS  
1ST SESSION

# H. R. 2621

To extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1997

Mr. ARCHER (for himself, Mr. CRANE, and Mr. DREIER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TRADE AUTHORITIES**  
4 **PROCEDURES**

5 **SEC. 101. SHORT TITLE.**

6 This title may be cited as the “Reciprocal Trade  
7 Agreement Authorities Act of 1997”.

1 **SEC. 102. TRADE NEGOTIATING OBJECTIVES.**

2 (a) OVERALL TRADE NEGOTIATING OBJECTIVES.—

3 The overall trade negotiating objectives of the United  
4 States for agreements subject to the provisions of section  
5 103 are—

6 (1) to obtain more open, equitable, and recip-  
7 rocal market access;

8 (2) to obtain the reduction or elimination of  
9 barriers and distortions that are directly related to  
10 trade and that decrease market opportunities for  
11 United States exports or otherwise distort United  
12 States trade;

13 (3) to further strengthen the system of inter-  
14 national trading disciplines and procedures, includ-  
15 ing dispute settlement; and

16 (4) to foster economic growth, raise living  
17 standards, and promote full employment in the Unit-  
18 ed States and to enhance the global economy.

19 (b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

20 (1) TRADE BARRIERS AND DISTORTIONS.—The  
21 principal negotiating objectives of the United States  
22 regarding trade barriers and other trade distortions  
23 are—

24 (A) to expand competitive market opportu-  
25 nities for United States exports and to obtain  
26 fairer and more open conditions of trade by re-

1           ducing or eliminating tariff and nontariff bar-  
2           riers and policies and practices of foreign gov-  
3           ernments directly related to trade that decrease  
4           market opportunities for United States exports  
5           or otherwise distort United States trade; and

6                   (B) to obtain reciprocal tariff and non-  
7           tariff barrier elimination agreements, with par-  
8           ticular attention to those tariff categories cov-  
9           ered in section 111(b) of the Uruguay Round  
10          Agreements Act (19 U.S.C. 3521(b)).

11          (2) TRADE IN SERVICES.—The principal nego-  
12       tiating objective of the United States regarding  
13       trade in services is to reduce or eliminate barriers to  
14       international trade in services, including regulatory  
15       and other barriers that deny national treatment and  
16       unreasonably restrict the establishment and oper-  
17       ations of service suppliers.

18          (3) FOREIGN INVESTMENT.—The principal ne-  
19       gotiating objective of the United States regarding  
20       foreign investment is to reduce or eliminate artificial  
21       or trade-distorting barriers to trade related foreign  
22       investment by—

23                   (A) reducing or eliminating exceptions to  
24           the principle of national treatment;

1 (B) freeing the transfer of funds relating  
2 to investments;

3 (C) reducing or eliminating performance  
4 requirements and other unreasonable barriers  
5 to the establishment and operation of invest-  
6 ments;

7 (D) seeking to establish standards for ex-  
8 propriation and compensation for expropriation,  
9 consistent with United States legal principles  
10 and practice; and

11 (E) providing meaningful procedures for  
12 resolving investment disputes.

13 (4) INTELLECTUAL PROPERTY.—The principal  
14 negotiating objectives of the United States regarding  
15 trade-related intellectual property are—

16 (A) to further promote adequate and effec-  
17 tive protection of intellectual property rights,  
18 including through—

19 (i)(I) ensuring accelerated and full  
20 implementation of the Agreement on  
21 Trade-Related Aspects of Intellectual  
22 Property Rights referred to in section  
23 101(d)(15) of the Uruguay Round Agree-  
24 ments Act (19 U.S.C. 3511(d)(15)),

1 (II) achieving improvements in the  
2 standards of that Agreement, particularly  
3 with respect to United States industries  
4 whose products are subject to the  
5 lengthiest transition periods for full com-  
6 pliance by developing countries with that  
7 Agreement; and

8 (III) ensuring that the provisions of  
9 any multilateral or bilateral trade agree-  
10 ment entered into by the United States  
11 provide protection at least as strong as the  
12 protection afforded by chapter 17 of the  
13 North American Free Trade Agreement  
14 and the annexes thereto;

15 (ii) providing strong protection for  
16 new and emerging technologies and new  
17 methods of transmitting and distributing  
18 products embodying intellectual property;

19 (iii) preventing or eliminating dis-  
20 crimination with respect to matters affect-  
21 ing the availability, acquisition, scope,  
22 maintenance, use, and enforcement of in-  
23 tellectual property rights; and

24 (iv) providing strong enforcement of  
25 intellectual property rights, including

1 through accessible, expeditious, and effective  
2 civil, administrative, and criminal enforcement  
3 mechanisms; and

4 (B) to secure fair, equitable, and non-  
5 discriminatory market access opportunities for  
6 United States persons that rely upon intellectual  
7 property protection.

8 (5) TRANSPARENCY.—The principal negotiating  
9 objective of the United States with respect to transparency  
10 is to obtain broader application of the principle  
11 of transparency through—

12 (A) increased and more timely public access  
13 to information regarding trade issues and  
14 the activities of international trade institutions;  
15 and

16 (B) increased openness of dispute settlement  
17 proceedings, including under the World  
18 Trade Organization.

19 (6) RECIPROCAL TRADE IN AGRICULTURE.—  
20 The principal negotiating objective of the United  
21 States with respect to agriculture is to obtain competitive  
22 opportunities for United States exports in  
23 foreign markets substantially equivalent to the competitive  
24 opportunities afforded foreign exports in  
25 United States markets and to achieve fairer and

1 more open conditions of trade in bulk and value-  
2 added commodities by—

3 (A) reducing or eliminating, by a date cer-  
4 tain, tariffs or other charges that decrease mar-  
5 ket opportunities for United States exports—

6 (i) giving priority to those products  
7 that are subject to significantly higher tar-  
8 iffs or subsidy regimes of major producing  
9 countries; and

10 (ii) providing reasonable adjustment  
11 periods for United States import-sensitive  
12 products;

13 (B) reducing or eliminating subsidies that  
14 decrease market opportunities for United States  
15 exports or unfairly distort agriculture markets  
16 to the detriment of the United States;

17 (C) developing, strengthening, and clarify-  
18 ing rules and effective dispute settlement mech-  
19 anisms to eliminate practices that unfairly de-  
20 crease United States market access opportuni-  
21 ties or distort agricultural markets to the det-  
22 riment of the United States, particularly with  
23 respect to import-sensitive products, includ-  
24 ing—

1 (i) unfair or trade-distorting activities  
2 of state trading enterprises and other ad-  
3 ministrative mechanisms;

4 (ii) unjustified trade restrictions or  
5 commercial requirements affecting new  
6 technologies, including biotechnology;

7 (iii) unjustified sanitary or  
8 phytosanitary restrictions, including those  
9 not based on sound science in contraven-  
10 tion of the Uruguay Round Agreements;

11 (iv) other unjustified technical bar-  
12 riers to trade; and

13 (v) restrictive rules in the administra-  
14 tion of tariff rate quotas;

15 (D) improving import relief mechanisms to  
16 recognize the unique characteristics of perish-  
17 able agriculture;

18 (E) taking into account whether a party to  
19 the negotiations has failed to adhere to the pro-  
20 visions of already existing trade agreements  
21 with the United States or has circumvented ob-  
22 ligations under those agreements;

23 (F) taking into account whether a product  
24 is subject to market distortions by reason of a  
25 failure of a major producing country to adhere



1 to the provisions of already existing trade  
2 agreements with the United States or by the  
3 circumvention by that country of its obligations  
4 under those agreements; and

5 (G) otherwise ensuring that countries that  
6 accede to the World Trade Organization have  
7 made meaningful market liberalization commit-  
8 ments in agriculture.

9 (7) LABOR, THE ENVIRONMENT, AND OTHER  
10 MATTERS.—The principal negotiating objective of  
11 the United States regarding labor, the environment,  
12 and other matters is to address the following aspects  
13 of foreign government policies and practices regard-  
14 ing labor, the environment, and other matters that  
15 are directly related to trade:

16 (A) To ensure that foreign labor, environ-  
17 mental, health, or safety policies and practices  
18 do not arbitrarily or unjustifiably discriminate  
19 or serve as disguised barriers to trade.

20 (B) To ensure that foreign governments do  
21 not derogate from or waive existing domestic  
22 environmental, health, safety, or labor meas-  
23 ures, including measures that deter exploitative  
24 child labor, as an encouragement to gain com-  
25 petitive advantage in international trade or in-

1 vestment. Nothing in this subparagraph is in-  
2 tended to address changes to a country's laws  
3 that are nondiscriminatory and consistent with  
4 sound macroeconomic development.

5 (8) WTO EXTENDED NEGOTIATIONS.—The  
6 principal negotiating objectives of the United States  
7 regarding trade in financial services are those set  
8 forth in section 135(a) of the Uruguay Round  
9 Agreements Act (19 U.S.C. 3555(a)), regarding  
10 trade in civil aircraft are those set forth in section  
11 135(c) of that Act, and regarding rules of origin are  
12 the conclusion of an agreement described in section  
13 132 of that Act (19 U.S.C. 3552).

14 (c) INTERNATIONAL ECONOMIC POLICY OBJEC-  
15 TIVES.—

16 (1) IN GENERAL.—The President should take  
17 into account the relationship between trade agree-  
18 ments and other important priorities of the United  
19 States and seek to ensure that the trade agreements  
20 entered into by the United States complement and  
21 reinforce other policy goals. The United States prior-  
22 ities in this area include—

23 (A) seeking to ensure that trade and envi-  
24 ronmental policies are mutually supportive;

1 (B) seeking to protect and preserve the en-  
2 vironment and enhance the international means  
3 for doing so, while optimizing the use of the  
4 world's resources;

5 (C) promoting the respect for worker  
6 rights and the rights of children and an under-  
7 standing of the relationship between trade and  
8 worker rights, particularly by working with the  
9 International Labor Organization to encourage  
10 the observance and enforcing of core labor  
11 standards, including exploitative child labor;  
12 and

13 (D) supplementing and strengthening  
14 standards for protection of intellectual property  
15 under conventions administered by international  
16 organizations other than the World Trade Or-  
17 ganization, expanding the conventions to cover  
18 new and emerging technologies, and eliminating  
19 discrimination and unreasonable exceptions or  
20 preconditions to such protection.

21 (2) APPLICABILITY OF TRADE AUTHORITIES  
22 PROCEDURES.—Nothing in this subsection shall be  
23 construed to authorize the use of the trade authori-  
24 ties procedures described in section 103 to modify  
25 United States law.

1 (d) GUIDANCE FOR NEGOTIATORS.—

2 (1) DOMESTIC OBJECTIVES.—In pursuing the  
3 negotiating objectives described in subsection (b),  
4 the negotiators on behalf of the United States shall  
5 take into account United States domestic objectives,  
6 including the protection of health and safety, essen-  
7 tial security, environmental, consumer, and employ-  
8 ment opportunity interests, and the law and regula-  
9 tions related thereto.

10 (2) CONSULTATIONS WITH CONGRESSIONAL AD-  
11 VISERS AND ENFORCEMENT OF THE TRADE LAWS.—

12 In the course of negotiations conducted under this  
13 title, the United States Trade Representative shall—

14 (A) consult closely and on a timely basis  
15 with, and keep fully apprised of the negotia-  
16 tions, the congressional advisers on trade policy  
17 and negotiations appointed under section 161 of  
18 the Trade Act of 1974; and

19 (B) take into account the need for the  
20 United States to retain the ability to enforce  
21 rigorously its trade laws in order to ensure that  
22 United States workers, agricultural producers,  
23 and firms can compete on fair terms and enjoy  
24 the benefits of reciprocal trade concessions.

1 (e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY  
2 ROUND AGREEMENTS.—In determining whether to enter  
3 into negotiations with a particular country, the President  
4 shall take into account the extent to which that country  
5 has implemented, or has accelerated the implementation  
6 of, its obligations under the Uruguay Round Agreements.

7 **SEC. 103. TRADE AGREEMENTS AUTHORITY.**

8 (a) AGREEMENTS REGARDING TARIFF BARRIERS.—

9 (1) IN GENERAL.—Whenever the President de-  
10 termines that one or more existing duties or other  
11 import restrictions of any foreign country or the  
12 United States are unduly burdening and restricting  
13 the foreign trade of the United States and that the  
14 purposes, policies, and objectives of this title will be  
15 promoted thereby, the President—

16 (A) may enter into trade agreements with  
17 foreign countries before—

18 (i) October 1, 2001, or

19 (ii) October 1, 2005, if trade authori-  
20 ties procedures are extended under sub-  
21 section (c), and

22 (B) may, subject to paragraphs (2) and  
23 (3), proclaim—

24 (i) such modification or continuance  
25 of any existing duty, or

1                   (ii) such continuance of existing duty-  
2                   free or excise treatment,  
3                   as the President determines to be required or  
4                   appropriate to carry out any such trade agree-  
5                   ment. The President shall notify the Congress  
6                   of the President's intention to enter into an  
7                   agreement under this subsection.

8                   (2) LIMITATIONS.—No proclamation may be  
9                   made under paragraph (1) that—

10                   (A) reduces any rate of duty (other than a  
11                   rate of duty that does not exceed 5 percent ad  
12                   valorem on the date of the enactment of this  
13                   Act) to a rate of duty which is less than 50 per-  
14                   cent of the rate of such duty that applies on  
15                   such date of enactment; or

16                   (B) reduces the rate of duty on an article  
17                   to take effect on a date that is more than 10  
18                   years after the first reduction that is pro-  
19                   claimed to carry out a trade agreement with re-  
20                   spect to such article.

21                   (3) AGGREGATE REDUCTION; EXEMPTION FROM  
22                   STAGING.—

23                   (A) AGGREGATE REDUCTION.—Except as  
24                   provided in subparagraph (B), the aggregate re-  
25                   duction in the rate of duty on any article which

1 is in effect on any day pursuant to a trade  
2 agreement entered into under paragraph (1)  
3 shall not exceed the aggregate reduction which  
4 would have been in effect on such day if—

5 (i) a reduction of 3 percent ad valo-  
6 rem or a reduction of one-tenth of the total  
7 reduction, whichever is greater, had taken  
8 effect on the effective date of the first re-  
9 duction proclaimed under paragraph (1) to  
10 carry out such agreement with respect to  
11 such article; and

12 (ii) a reduction equal to the amount  
13 applicable under clause (i) had taken effect  
14 at 1-year intervals after the effective date  
15 of such first reduction.

16 (B) EXEMPTION FROM STAGING.—No  
17 staging is required under subparagraph (A)  
18 with respect to a duty reduction that is pro-  
19 claimed under paragraph (1) for an article of a  
20 kind that is not produced in the United States.  
21 The United States International Trade Com-  
22 mission shall advise the President of the iden-  
23 tity of articles that may be exempted from stag-  
24 ing under this subparagraph.

1           (4) ROUNDING.—If the President determines  
2           that such action will simplify the computation of re-  
3           ductions under paragraph (3), the President may  
4           round an annual reduction by an amount equal to  
5           the lesser of—

6                   (A) the difference between the reduction  
7                   without regard to this paragraph and the next  
8                   lower whole number; or

9                   (B) one-half of 1 percent ad valorem.

10          (5) OTHER LIMITATIONS.—A rate of duty re-  
11          duction that may not be proclaimed by reason of  
12          paragraph (2) may take effect only if a provision au-  
13          thorizing such reduction is included within an imple-  
14          menting bill provided for under section 105 and that  
15          bill is enacted into law.

16          (6) OTHER TARIFF MODIFICATIONS.—Notwith-  
17          standing paragraphs (1)(B) and (2) through (5),  
18          and subject to the consultation and layover require-  
19          ments of section 115 of the Uruguay Round Agree-  
20          ments Act, the President may proclaim the modifica-  
21          tion of any duty or staged rate reduction of any duty  
22          set forth in Schedule XX, as defined in section 2(5)  
23          of that Act, if the United States agrees to such  
24          modification or staged rate reduction in a negotia-  
25          tion for the reciprocal elimination or harmonization



1 of duties under the auspices of the World Trade Or-  
2 ganization or as part of an interim agreement lead-  
3 ing to the formation of a regional free-trade area.

4 (7) AUTHORITY UNDER URUGUAY ROUND  
5 AGREEMENTS ACT NOT AFFECTED.—Nothing in this  
6 subsection shall limit the authority provided to the  
7 President under section 111(b) of the Uruguay  
8 Round Agreements Act (19 U.S.C. 3521(b)).

9 (b) AGREEMENTS REGARDING TARIFF AND NON-  
10 TARIFF BARRIERS.—

11 (1) IN GENERAL.—(A) Whenever the President  
12 determines that—

13 (i) one or more existing duties or any other  
14 import restriction of any foreign country or the  
15 United States or any other barrier to, or other  
16 distortion of, international trade unduly bur-  
17 dens or restricts the foreign trade of the United  
18 States or adversely affects the United States  
19 economy, or

20 (ii) the imposition of any such barrier or  
21 distortion is likely to result in such a burden,  
22 restriction, or effect,

23 and that the purposes, policies, and objectives of this  
24 title will be promoted thereby, the President may  
25 enter into a trade agreement described in subpara-

graph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 102 and the President satisfies the conditions set forth in section 104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as “trade authorities procedures”) apply to a bill of either House of Congress consisting only of—

1           (A) a provision approving a trade agree-  
2           ment entered into under this subsection and ap-  
3           proving the statement of administrative action,  
4           if any, proposed to implement such trade agree-  
5           ment,

6           (B) provisions directly related to the prin-  
7           cipal trade negotiating objectives set forth in  
8           section 102(b) achieved in such trade agree-  
9           ment, if those provisions are necessary for the  
10          operation or implementation of United States  
11          rights or obligations under such trade agree-  
12          ment,

13          (C) provisions that define and clarify, or  
14          provisions that are related to, the operation or  
15          effect of the provisions of the trade agreement,

16          (D) provisions to provide adjustment as-  
17          sistance to workers and firms adversely affected  
18          by trade, and

19          (E) provisions necessary for purposes of  
20          complying with section 252 of the Balanced  
21          Budget and Emergency Deficit Control Act of  
22          1985 in implementing the trade agreement,

23          to the same extent as such section 151 applies to  
24          implementing bills under that section. A bill to

1       which this subparagraph applies shall hereafter in  
2       this title be referred to as an “implementing bill”.

3       (c) EXTENSION DISAPPROVAL PROCESS FOR CON-  
4       GRESSIONAL TRADE AUTHORITIES PROCEDURES.—

5               (1) IN GENERAL.—Except as provided in sec-  
6       tion 105(b)—

7                       (A) the trade authorities procedures apply  
8       to implementing bills submitted with respect to  
9       trade agreements entered into under subsection  
10      (b) before October 1, 2001; and

11                      (B) the trade authorities procedures shall  
12      be extended to implementing bills submitted  
13      with respect to trade agreements entered into  
14      under subsection (b) after September 30, 2001,  
15      and before October 1, 2005, if (and only if)—

16                               (i) the President requests such exten-  
17                               sion under paragraph (2); and

18                               (ii) neither House of the Congress  
19                               adopts an extension disapproval resolution  
20                               under paragraph (5) before October 1,  
21                               2001.

22               (2) REPORT TO CONGRESS BY THE PRESI-  
23       DENT.—If the President is of the opinion that the  
24       trade authorities procedures should be extended to  
25       implementing bills described in paragraph (1)(B),

1 the President shall submit to the Congress, not later  
2 than July 1, 2001, a written report that contains  
3 a request for such extension, together with—

4 (A) a description of all trade agreements  
5 that have been negotiated under subsection (b)  
6 and the anticipated schedule for submitting  
7 such agreements to the Congress for approval;

8 (B) a description of the progress that has  
9 been made in negotiations to achieve the pur-  
10 poses, policies, and objectives of this title, and  
11 a statement that such progress justifies the  
12 continuation of negotiations; and

13 (C) a statement of the reasons why the ex-  
14 tension is needed to complete the negotiations.

15 (3) REPORT TO CONGRESS BY THE ADVISORY  
16 COMMITTEE.—The President shall promptly inform  
17 the Advisory Committee for Trade Policy and Nego-  
18 tiations established under section 135 of the Trade  
19 Act of 1974 (19 U.S.C. 2155) of the President’s de-  
20 cision to submit a report to the Congress under  
21 paragraph (2). The Advisory Committee shall submit  
22 to the Congress as soon as practicable, but not later  
23 than August 1, 2001, a written report that con-  
24 tains—

1 (A) its views regarding the progress that  
2 has been made in negotiations to achieve the  
3 purposes, policies, and objectives of this title;  
4 and

5 (B) a statement of its views, and the rea-  
6 sons therefor, regarding whether the extension  
7 requested under paragraph (2) should be ap-  
8 proved or disapproved.

9 (4) REPORTS MAY BE CLASSIFIED.—The re-  
10 ports submitted to the Congress under paragraphs  
11 (2) and (3), or any portion of such reports, may be  
12 classified to the extent the President determines ap-  
13 propriate.

14 (5) EXTENSION DISAPPROVAL RESOLUTIONS.—

15 (A) For purposes of paragraph (1), the term “exten-  
16 sion disapproval resolution” means a resolution of  
17 either House of the Congress, the sole matter after  
18 the resolving clause of which is as follows: “That the  
19 \_\_\_\_\_ disapproves the request of the President for  
20 the extension, under section 103(c)(1)(B)(i) of the  
21 Reciprocal Trade Agreement Authorities Act of  
22 1997, of the provisions of section 151 of the Trade  
23 Act of 1974 to any implementing bill submitted with  
24 respect to any trade agreement entered into under  
25 section 103(b) of the Reciprocal Trade Agreement

1 Authorities Act of 1997 after September 30, 2001.”,  
2 with the blank space being filled with the name of  
3 the resolving House of the Congress.

4 (B) Extension disapproval resolutions—

5 (i) may be introduced in either House of  
6 the Congress by any member of such House;  
7 and

8 (ii) shall be jointly referred, in the House  
9 of Representatives, to the Committee on Ways  
10 and Means and the Committee on Rules.

11 (C) The provisions of sections 152(d) and (e) of  
12 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))  
13 (relating to the floor consideration of certain resolu-  
14 tions in the House and Senate) apply to extension  
15 disapproval resolutions.

16 (D) It is not in order for—

17 (i) the Senate to consider any extension  
18 disapproval resolution not reported by the Com-  
19 mittee on Finance;

20 (ii) the House of Representatives to con-  
21 sider any extension disapproval resolution not  
22 reported by the Committee on Ways and Means  
23 and the Committee on Rules; or

1 (iii) either House of the Congress to con-  
2 sider an extension disapproval resolution after  
3 September 30, 2001.

4 **SEC. 104. CONSULTATIONS.**

5 (a) NOTICE AND CONSULTATION BEFORE NEGOTIA-  
6 TION.—

7 (1) IN GENERAL.—The President, with respect  
8 to any agreement that is subject to the provisions of  
9 section 103(b), shall—

10 (A) provide, at least 90 calendar days be-  
11 fore initiating negotiations, written notice to the  
12 Congress of the President's intention to enter  
13 into the negotiations and set forth therein the  
14 date the President intends to initiate such nego-  
15 tiations, the specific United States objectives  
16 for the negotiations, and whether the President  
17 intends to seek an agreement, or changes to an  
18 existing agreement; and

19 (B) before and after submission of the no-  
20 tice, consult regarding the negotiations with the  
21 Committee on Finance of the Senate and the  
22 Committee on Ways and Means of the House of  
23 Representatives and such other committees of  
24 the House and Senate as the President deems  
25 appropriate.



1           (2) CONSULTATIONS REGARDING NEGOTIA-  
2 TIONS ON CERTAIN OBJECTIVES.—

3           (A) CONSULTATION.—In addition to the  
4 requirements set forth in paragraph (1), before  
5 initiating negotiations with respect to a trade  
6 agreement entered into under section 103(b) in  
7 which the subject matter is directly related to  
8 the principal trade negotiating objectives set  
9 forth in section 2(b)(1) or section 102(b)(7),  
10 the President shall consult with the Committee  
11 on Ways and Means of the House of Represent-  
12 atives and the Committee on Finance of the  
13 Senate and with the appropriate industry sector  
14 advisory groups established under section 135  
15 of the Trade Act of 1974 with respect to such  
16 negotiations.

17          (B) SCOPE.—The consultations described  
18 in subparagraph (A) shall concern the manner  
19 in which the negotiation will address the objec-  
20 tive of reducing or eliminating a specific tariff  
21 or nontariff barrier or foreign government pol-  
22 icy or practice directly related to trade that de-  
23 creases market opportunities for United States  
24 exports or otherwise distorts United States  
25 trade.

1           (3)     NEGOTIATIONS     REGARDING     AGRI-  
2     CULTURE.—Before initiating negotiations under sec-  
3     tion 102(b)(6)(A) with any country, the President  
4     shall assess whether United States tariffs on agri-  
5     culture products that were bound under the Uru-  
6     guay Round Agreements are lower than the tariffs  
7     bound by that country. In addition, the President  
8     shall consider whether the tariff levels bound and  
9     applied throughout the world with respect to imports  
10    from the United States are higher than United  
11    States tariffs and whether the negotiation provides  
12    an opportunity to address any such disparity. The  
13    President shall consult with the Committee on Ways  
14    and Means and the Committee on Agriculture of the  
15    House of Representatives and the Committee on Fi-  
16    nance and the Committee on Agriculture, Nutrition,  
17    and Forestry of the Senate concerning the results of  
18    the assessment, whether it is appropriate for the  
19    United States to agree to further tariff reductions  
20    based on the conclusions reached in the assessment,  
21    and how all applicable negotiating objectives will be  
22    met.

23    (b)    CONSULTATION    WITH    CONGRESS    BEFORE  
24    AGREEMENTS ENTERED INTO.—

1           (1) CONSULTATION.—Before entering into any  
2           trade agreement under section 103(b), the President  
3           shall consult with—

4                   (A) the Committee on Ways and Means of  
5           the House of Representatives and the Commit-  
6           tee on Finance of the Senate; and

7                   (B) each other committee of the House  
8           and the Senate, and each joint committee of the  
9           Congress, which has jurisdiction over legislation  
10          involving subject matters which would be af-  
11          fected by the trade agreement.

12          (2) SCOPE.—The consultation described in  
13          paragraph (1) shall include consultation with respect  
14          to—

15                   (A) the nature of the agreement;

16                   (B) how and to what extent the agreement  
17          will achieve the applicable purposes, policies,  
18          and objectives of this title; and

19                   (C) the implementation of the agreement  
20          under section 105.

21          (c) ADVISORY COMMITTEE REPORTS.—The report  
22          required under section 135(e)(1) of the Trade Act of 1974  
23          regarding any trade agreement entered into under section  
24          103(a) or (b) of this Act shall be provided to the Presi-  
25          dent, the Congress, and the United States Trade Rep-

1 representative not later than 30 days after the date on which  
2 the President notifies the Congress under section  
3 103(a)(1) or 105(a)(1)(A) of the President's intention to  
4 enter into the agreement.

5 **SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.**

6 (a) IN GENERAL.—

7 (1) NOTIFICATION AND SUBMISSION.—Any  
8 agreement entered into under section 103(b) shall  
9 enter into force with respect to the United States if  
10 (and only if)—

11 (A) the President, at least 90 calendar  
12 days before the day on which the President en-  
13 ters into the trade agreement, notifies the  
14 House of Representatives and the Senate of the  
15 President's intention to enter into the agree-  
16 ment, and promptly thereafter publishes notice  
17 of such intention in the Federal Register;

18 (B) within 60 days after entering into the  
19 agreement, the President submits to the Con-  
20 gress a description of those changes to existing  
21 laws that the President considers would be re-  
22 quired in order to bring the United States into  
23 compliance with the agreement;

1 (C) after entering into the agreement, the  
2 President submits a copy of the final legal text  
3 of the agreement, together with—

4 (i) a draft of an implementing bill de-  
5 scribed in section 103(b)(3);

6 (ii) a statement of any administrative  
7 action proposed to implement the trade  
8 agreement; and

9 (iii) the supporting information de-  
10 scribed in paragraph (2); and

11 (D) the implementing bill is enacted into  
12 law.

13 (2) SUPPORTING INFORMATION.—The support-  
14 ing information required under paragraph (1)(C)(iii)  
15 consists of—

16 (A) an explanation as to how the imple-  
17 menting bill and proposed administrative action  
18 will change or affect existing law; and

19 (B) a statement—

20 (i) asserting that the agreement  
21 makes progress in achieving the applicable  
22 purposes, policies, and objectives of this  
23 title;

24 (ii) setting forth the reasons of the  
25 President regarding—

1 (I) how and to what extent the  
2 agreement makes progress in achiev-  
3 ing the applicable purposes, policies,  
4 and objectives referred to in clause (i);

5 (II) whether and how the agree-  
6 ment changes provisions of an agree-  
7 ment previously negotiated;

8 (III) how the agreement serves  
9 the interests of United States com-  
10 merce; and

11 (IV) how the implementing bill  
12 complies with section 103(b)(3).

13 (3) RECIPROCAL BENEFITS.—In order to en-  
14 sure that a foreign country that is not a party to a  
15 trade agreement entered into under section 103(b)  
16 does not receive benefits under the agreement unless  
17 the country is also subject to the obligations under  
18 the agreement, the implementing bill submitted with  
19 respect to the agreement shall provide that the bene-  
20 fits and obligations under the agreement apply only  
21 to the parties to the agreement, if such application  
22 is consistent with the terms of the agreement. The  
23 implementing bill may also provide that the benefits  
24 and obligations under the agreement do not apply  
25 uniformly to all parties to the agreement, if such ap-

1       plication is consistent with the terms of the agree-  
2       ment.

3       (b) LIMITATIONS ON TRADE AUTHORITIES PROCE-  
4       DURES.—

5               (1) FOR LACK OF CONSULTATIONS.—

6                       (A) IN GENERAL.—The trade authorities  
7       procedures shall not apply to any implementing  
8       bill submitted with respect to a trade agreement  
9       entered into under section 103(b) if during the  
10      60-day period beginning on the date that one  
11      House of Congress agrees to a procedural dis-  
12      approval resolution for lack of notice or con-  
13      sultations with respect to that trade agreement,  
14      the other House separately agrees to a proce-  
15      dural disapproval resolution with respect to that  
16      agreement.

17                      (B) PROCEDURAL DISAPPROVAL RESOLU-  
18      TION.—For purposes of this paragraph, the  
19      term “procedural disapproval resolution” means  
20      a resolution of either House of Congress, the  
21      sole matter after the resolving clause of which  
22      is as follows: “That the President has failed or  
23      refused to notify or consult (as the case may  
24      be) with Congress in accordance with section  
25      104 or 105 of the Reciprocal Trade Agreement

1 Authorities Act of 1997 on negotiations with re-  
 2 spect to, or entering into, a trade agreement to  
 3 which section 103(b) of that Act applies and,  
 4 therefore, the provisions of section 151 of the  
 5 Trade Act of 1974 shall not apply to any imple-  
 6 menting bill submitted with respect to that  
 7 trade agreement.”.

8 (2) PROCEDURES FOR CONSIDERING RESOLU-  
 9 TIONS.—(A) Procedural disapproval resolutions—

10 (i) in the House of Representatives—

11 (I) shall be introduced by the chair-  
 12 man or ranking minority member of the  
 13 Committee on Ways and Means or the  
 14 chairman or ranking minority member of  
 15 the Committee on Rules;

16 (II) shall be jointly referred to the  
 17 Committee on Ways and Means and the  
 18 Committee on Rules; and

19 (III) may not be amended by either  
 20 Committee; and

21 (ii) in the Senate shall be original resolu-  
 22 tions of the Committee on Finance.

23 (B) The provisions of section 152(d) and (e) of  
 24 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))  
 25 (relating to the floor consideration of certain resolu-



1        tions in the House and Senate) apply to procedural  
2        disapproval resolutions.

3            (C) It is not in order for the House of Rep-  
4        resentatives to consider any procedural disapproval  
5        resolution not reported by the Committee on Ways  
6        and Means and the Committee on Rules.

7        (c) RULES OF HOUSE OF REPRESENTATIVES AND  
8        SENATE.—Subsection (b) of this section and section  
9        103(c) are enacted by the Congress—

10            (1) as an exercise of the rulemaking power of  
11        the House of Representatives and the Senate, re-  
12        spectively, and as such are deemed a part of the  
13        rules of each House, respectively, and such proce-  
14        dures supersede other rules only to the extent that  
15        they are inconsistent with such other rules; and

16            (2) with the full recognition of the constitu-  
17        tional right of either House to change the rules (so  
18        far as relating to the procedures of that House) at  
19        any time, in the same manner, and to the same ex-  
20        tent as any other rule of that House.

21        **SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.**

22            (a) CERTAIN AGREEMENTS.—Notwithstanding sec-  
23        tion 103(b)(2), if an agreement to which section 103(b)  
24        applies—

1           (1) is entered into under the auspices of the  
2       World Trade Organization regarding trade in infor-  
3       mation technology products,

4           (2) is entered into under the auspices of the  
5       World Trade Organization regarding extended nego-  
6       tiations on financial services as described in section  
7       135(a) of the Uruguay Round Agreements Act (19  
8       U.S.C. 3555(a)),

9           (3) is entered into under the auspices of the  
10      World Trade Organization regarding the rules of ori-  
11      gin work program described in Article 9 of the  
12      Agreement on Rules of Origin referred to in section  
13      101(d)(10) of the Uruguay Round Agreements Act  
14      (19 U.S.C. 3511(d)(10)), or

15           (4) is entered into with Chile,  
16   and results from negotiations that were commenced before  
17   the date of the enactment of this Act, subsection (b) shall  
18   apply.

19       (b) TREATMENT OF AGREEMENTS.—In the case of  
20   any agreement to which subsection (a) applies—

21           (1) the applicability of the trade authorities  
22       procedures to implementing bills for be determined  
23       without regard to the requirements of section  
24       104(a), and any procedural disapproval resolution

1 under section 105(b)(1)(B) shall not be in order  
2 with respect to the provisions of section 104(a); and  
3 (2) consultations under section 104(a) that  
4 would be required prior to initiation of negotiations  
5 shall be made as soon as feasible after the enact-  
6 ment of this Act.

7 **SEC. 107. CONFORMING AMENDMENTS.**

8 (a) IN GENERAL.—Title I of the Trade Act of 1974  
9 (19 U.S.C. 2111 et seq.) is amended as follows:

10 (1) IMPLEMENTING BILL.—

11 (A) Section 151(b)(1) (19 U.S.C.  
12 2191(b)(1)) is amended by striking “section  
13 1103(a)(1) of the Omnibus Trade and Competi-  
14 tiveness Act of 1988, or section 282 of the Uru-  
15 guay Round Agreements Act” and inserting  
16 “section 282 of the Uruguay Round Agree-  
17 ments Act, or section 105(a)(1) of the Recip-  
18 rocal Trade Agreement Authorities Act of  
19 1997”.

20 (B) Section 151(c)(1) (19 U.S.C.  
21 2191(c)(1)) is amended by striking “or section  
22 282 of the Uruguay Round Agreements Act”  
23 and inserting “, section 282 of the Uruguay  
24 Round Agreements Act, or section 105(a)(1) of

1           the Reciprocal Trade Agreement Authorities  
2           Act of 1997”.

3           (2) ADVICE FROM INTERNATIONAL TRADE COM-  
4           MISSION.—Section 131 (19 U.S.C. 2151) is amend-  
5           ed—

6                   (A) in subsection (a)—

7                           (i) in paragraph (1), by striking “sec-  
8                           tion 123 of this Act or section 1102 (a) or  
9                           (c) of the Omnibus Trade and Competitive-  
10                          ness Act of 1988,” and inserting “section  
11                          123 of this Act or section 103(a) or (b) of  
12                          the Reciprocal Trade Agreement Authori-  
13                          ties Act of 1997,”; and

14                          (ii) in paragraph (2), by striking “sec-  
15                          tion 1102 (b) or (c) of the Omnibus Trade  
16                          and Competitiveness Act of 1988” and in-  
17                          serting “section 103(b) of the Reciprocal  
18                          Trade Agreement Authorities Act of  
19                          1997”;

20                   (B) in subsection (b), by striking “section  
21                   1102(a)(3)(A)” and inserting “section  
22                   103(a)(3)(A) of the Reciprocal Trade Agree-  
23                   ment Authorities Act of 1997” before the end  
24                   period; and

1 (C) in subsection (c), by striking “section  
2 1102 of the Omnibus Trade and Competitive-  
3 ness Act of 1988,” and inserting “section 103  
4 of the Reciprocal Trade Agreement Authorities  
5 Act of 1997,”.

6 (3) HEARINGS AND ADVICE.—Sections 132,  
7 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and  
8 2154(a)) are each amended by striking “section  
9 1102 of the Omnibus Trade and Competitiveness  
10 Act of 1988,” each place it appears and inserting  
11 “section 103 of the Reciprocal Trade Agreement Au-  
12 thorities Act of 1997,”.

13 (4) PREREQUISITES FOR OFFERS.—Section  
14 134(b) (19 U.S.C. 2154(b)) is amended by striking  
15 “section 1102 of the Omnibus Trade and Competi-  
16 tiveness Act of 1988” and inserting “section 103 of  
17 the Reciprocal Trade Agreement Authorities Act of  
18 1997”.

19 (5) ADVICE FROM PRIVATE AND PUBLIC SEC-  
20 TORS.—Section 135 (19 U.S.C. 2155) is amended—

21 (A) in subsection (a)(1)(A), by striking  
22 “section 1102 of the Omnibus Trade and Com-  
23 petitiveness Act of 1988” and inserting “section  
24 103 of the Reciprocal Trade Agreement Au-  
25 thorities Act of 1997”;

1 (B) in subsection (e)(1)—

2 (i) by striking “section 1102 of the  
3 Omnibus Trade and Competitiveness Act  
4 of 1988” each place it appears and insert-  
5 ing “section 103 of the Reciprocal Trade  
6 Agreement Authorities Act of 1997”; and

7 (ii) by striking “section 1103(a)(1)(A)  
8 of such Act of 1988” and inserting “sec-  
9 tion 105(a)(1)(A) of the Reciprocal Trade  
10 Agreement Authorities Act of 1997”; and

11 (C) in subsection (e)(2), by striking “sec-  
12 tion 1101 of the Omnibus Trade and Competi-  
13 tiveness Act of 1988” and inserting “section  
14 102 of the Reciprocal Trade Agreement Au-  
15 thorities Act of 1997”.

16 (6) TRANSMISSION OF AGREEMENTS TO CON-  
17 GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is  
18 amended by striking “or under section 1102 of the  
19 Omnibus Trade and Competitiveness Act of 1988”  
20 and inserting “or under section 103 of the Recip-  
21 rocal Trade Agreement Authorities Act of 1997”.

22 (b) APPLICATION OF CERTAIN PROVISIONS.—For  
23 purposes of applying sections 125, 126, and 127 of the  
24 Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and  
25 2137)—

(1) any trade agreement entered into under section 103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

**SEC. 108. DEFINITIONS.**

In this title:

(1) UNITED STATES PERSON.—The term “United States person” means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(2) URUGUAY ROUND AGREEMENTS.—The term “Uruguay Round Agreements” has the meaning

1 given that term in section 2(7) of the Uruguay  
2 Round Agreements Act (19 U.S.C. 3501(7)).

3 (3) WORLD TRADE ORGANIZATION.—The term  
4 “World Trade Organization” means the organization  
5 established pursuant to the WTO Agreement.

6 (4) WTO AGREEMENT.—The term “WTO  
7 Agreement” means the Agreement Establishing the  
8 World Trade Organization entered into on April 15,  
9 1994.

## 10 **TITLE II—TRADE ADJUSTMENT** 11 **ASSISTANCE**

### 12 **SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.**

13 Section 245 of the Trade Act of 1974 (19 U.S.C.  
14 2317) is amended—

15 (1) in subsection (a) by striking “1993” and all  
16 that follows through “1998” and inserting “1998,  
17 1999, and 2000”; and

18 (2) in subsection (b) by striking “1994” and all  
19 that follows through “1998” and inserting “1998,  
20 1999, and 2000”.

### 21 **SEC. 202. ADJUSTMENT ASSISTANCE FOR FIRMS.**

22 Section 256(b) of the Trade Act of 1974 (19 U.S.C.  
23 2346(b)) is amended by striking “1993” and all that fol-  
24 lows through “1998” and inserting “1998, 1999, and  
25 2000”.



1 **SEC. 203. GENERAL ACCOUNTING OFFICE REPORT.**

2 Section 280(a) of the Trade Act of 1974 (19 U.S.C.  
3 2391(a)) is amended—

4 (1) by striking “2, 3, and 4” and inserting “2  
5 and 3”; and

6 (2) by striking “January 31, 1980” and insert-  
7 ing “October 1, 1999”.

8 **SEC. 204. TERMINATION.**

9 Section 285(c) of the Trade Act of 1974 (19 U.S.C.  
10 2271 note) is amended in paragraphs (1) and (2)(A)(i)  
11 by striking “1998” and inserting “2000”.

12 **SEC. 205. EFFECTIVE DATE.**

13 The amendments made by this title take effect on the  
14 date of the enactment of this Act.

15 **TITLE III—REVENUE**  
16 **PROVISIONS**

17 **SEC. 301. REPEAL OF SPECIAL RULE FOR RENTAL USE OF**  
18 **VACATION HOMES, ETC., FOR LESS THAN 15**  
19 **DAYS.**

20 (a) IN GENERAL.—Section 280A of the Internal Rev-  
21 enue Code of 1986 (relating to disallowance of certain ex-  
22 penses in connection with business use of home, rental of  
23 vacation homes, etc.) is amended by striking subsection  
24 (g).

25 (b) NO BASIS REDUCTION UNLESS DEPRECIATION  
26 CLAIMED.—Section 1016 of such Code is amended by re-

1 designating subsection (e) as subsection (f) and by insert-  
2 ing after subsection (d) the following new subsection:

3       “(e) SPECIAL RULE WHERE RENTAL USE OF VACA-  
4 TION HOME, ETC., FOR LESS THAN 15 DAYS.—If a dwell-  
5 ing unit is used during the taxable year by the taxpayer  
6 as a residence and such dwelling unit is actually rented  
7 for less than 15 days during the taxable year, the reduc-  
8 tion under subsection (a)(2) by reason of such rental use  
9 in any taxable year beginning after December 31, 1997,  
10 shall not exceed the depreciation deduction allowed for  
11 such rental use.”.

12       (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 1997.

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